AIR POUCH
PRIORITY

UNCLASSIFIED
(Security Classification)

714.00(W)/2-1253

FOREIGN SERVICE DESPATCH

703
DESP. NO.

90

12

FROM : AMEMBASSY, GUATEMALA

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE February 12, 1953

REF : --

F790004-1344

FEB 13 1953

41 For Dept. Use Only Re	ACTION OIA	INFO DEPT.	REP ARA E I IBS IFI TCA UNA RE IPS ILAA
	REC'D FEB 14	INFO OTHER	AG COMM FRB TAR TR ARMY NAVY AIR CIA OSD

SUBJECT: WEEKA NO. 7 - ECONOMIC SECTION

DECLASSIFICATION DATE 1/30/78

SECTION II PER Chrimes OFFICE ARA

FADRC FOI CASE NO. 740332

Guatemalan business, which has been at a low level since May 1952 due to the Government's agrarian reform program, declined drastically this week as a result of the political crisis caused by Congress' removal of four Supreme Court justices (see Sec. I). Businessmen were marking time pending a clearing of the situation.

The crisis also delayed consideration of pending economic development legislation. The Executive failed to send to Congress the charter for the PETENSA Corporation or the National Agrarian Bank bill. The latter was to have been presented "at the latest" by February 9, according to an announcement by Sr. Roberto FANJUL, Minister of Economy. Similarly, Congress took no action toward passing the "luxury tax" bill which was returned to committee last week (WEEKA No. 6). An indication of further postponement was seen in a press report that the committee was studying the possibility of tariff increases on ready-made clothing in order to meet the objections of clothing manufacturers to the bill's provision for higher duties on imports of rayon cloth.

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DC/R

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1953 FEB 14 PM 3 04
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RECORDS BRANCH

Action Assigned to Rudolf E. Schoenfeld

Action Taken

Date of Action 2-18-53

Action Office Symbol ARA

Name of Officer Vinciette

EHMiller/dkp
(2/11/53) TYPIST

RESTRICTED

UNCLASSIFIED

FILED
MAY 11 1953

LWC

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.